

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **January 11, 2012, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Baghdady, Becker, Brusch, Dash, Epstein, Grob, Libenson, Lynch, Manjikian, McLaughlin, Millane, Sarno; BOS Chair Jones; School Committee Representative Slap

- Interim Town Administrator Kelliher, Assistant Town Administrator Hebert, Town Accountant Chitra Subramanian

- Superintendent Kingston, Finance Director DiCologero, SC Chair Graham

- Members Absent: McHugh

- The meeting was called to order at 7:30 pm by Chair Allison.

- Chair Allison began by turning to the first item on the agenda.

- ***Presentation of Initial FY13 School Budget***

- Superintendent Kingston noted that the budget was presented to the SC last night, and that body authorized the transmission of the budget to the WC. He noted that the SC has a finance subcommittee and that this subcommittee has played an important role in developing the budget. He said the budget emerges from many conversations from the community, known as a "Superintendent's entry plan". This is a preliminary budget, he said, the official budget will go by TM in April.

- The budget, he continued, is part strategic plan and is based on three philosophical budget assumptions.

- The first budget assumption pertains to systematic long-term strategic planning. The second budget assumption pertains to the fact that 80% of this budget is personnel focused – personnel, that is, who are well-prepared and well-trained to educate the student body. The third budget assumption focuses on the content of the education delivered, including continuity, clarity, compliance, innovation, and meeting the high expectations of this community.

- Dr. Kingston reviewed the budget numbers and identified a \$509,222 gap between available revenue and level service budgets. He presented a schedule (available on the School website) showing the order in which items would be restored if additional funds became available. Dr. Kingston also noted that there are several areas, which he called "priorities for enhancement," which would be added if funds became available. He then noted several critical budget assumptions and forecasts, including the health

insurance cost assumptions (0% growth), the unresolved contracts, the drop in special education outplacement tuitions, the consolidated facilities manager position, a decrease in special education transportation, and the maintaining of current fee structures for revolving accounts.

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- Chair Allison invited the Education Subcommittee to ask the initial questions. Member Brusch asked about the health insurance savings estimate – is this money being used for one-time expenses? Dr. Kingson replied that about \$250K is being used (from health insurance savings) to cover a variety of costs, some one-time and some recurring. Member Brusch said she is concerned about the level of ongoing expenses being covered, since the health insurance savings is clearly one-time money.

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- Member Dash asked about the drop in special education expense. Dr. Kingston said as of right now there is \$250K in savings there, but that could change if, for example, a significant number of new students were to come into the district.

- ***Presentation of Initial FY13 Town Budget***

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- Interim Town Administrator Kelliher thanked the WC as well as the new town accountant, Chitra Subramanian. He also introduced and thanked Mr. Tony Torrisi, the former financial director in Andover, who has been hired to help with the accounting transition.

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- Mr. Kelliher reviewed the key budget numbers including available revenue and total revenue. He stated that, for the first time in several years, the available revenue budget equals the level service budget. This may be due to the assumption that local aid is level-funded as well as the level funding of the group health plan. He added that the growth in fixed costs has been limited this year.

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- Town budget highlights include the group health savings (\$163K) and the new public health facilities director at \$90K plus benefits. He noted areas where he would add salary: the HR department part-time staff (\$12K) and the Town Clerk salary (\$16K). Also, the town is due for a pay classification study, which would cost \$25K.

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- Mr. Kelliher noted that collective bargaining negotiations were still open. He said he built in a Fire Department overtime increase of \$81K and added \$24K for Veterans benefits. Mr. Kelliher said that the discretionary capital line has been increased by the amount of the health insurance savings.

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- Mr. Kelliher said that there are \$400K in departmental requests above this budget. He added that he has created a contingency fund of \$80K that can be used at the Board's discretion. In closing, he said he supports a town contribution to the OPEB fund.

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- Member McLaughlin asked about the \$80K contingency account. Member Becker asked about the \$25K pay classification study. Member Dash asked about the Fire Department overtime number – is that one-time or built in? Mr. Kelliher replied that

this amount is built in to the budget. Member Libenson asked about the Fire Department OT request. Member Dash asked about the Town Clerk salary.

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- Chair Allison offered that compensation is the budget driver – and that the collective bargaining needs to come in where it has been forecast in order for this budget to make sense. She added that fixed costs look manageable because of the rate-of-return assumptions on pension. Such assumptions may be unrealistic and won't be realized. She then noted that she is concerned about the fact that the departments that did not budget to the appropriate number in FY12 are those whose budgets are getting the largest increases in the proposed FY13 budget.

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- Mr. Kelliher agreed that this could be a concern, except in the case of Veteran's Affairs, where costs were 75% reimbursable and statutorily driven.

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- Regarding the requests for additional personnel, Chair Allison noted that the WC intends to look at "life cycle costing," i.e., the full costs the Town incurs when an employee is added to the payroll: salary, plus benefits, plus post-employment benefits. These are potentially very big numbers.

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- BOS Chair Jones noted that the contingency fund of \$80K could be put back into free cash. Member Libenson commented that the preferred add-backs for the school are listed in a priority order and that would be helpful on the town side as well.

- ***Discussion and Vote on Article VII (TM Communications)***

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- Chair Allison said that this issue will be deferred until the WC meets prior to TM (next Wed., 1/18 from 6-7 pm). BOS Chair Jones said that an amendment has been offered on the article but that it does not reflect the recent WC discussions. The WC discussed the amendment noting that the amendment does not address the "forceful" language, but rather the amount of time in advance of TM that TM members have to analyze the budget (from 14 days advance notice to 10 days).

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- Chair Allison said that this article is likely to push TM into a June meeting, which makes it difficult for the schools in sending out teacher contracts.

- ***Approval of Minutes for 1/4/2012***

- The minutes of 1/4/2012 were approved with no abstentions.

- ***Wrap-up/Announcements***

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- Chair Allison reminded the WC that the warrant briefing will be held on Thursday, January 12. She said the WC will meet at 6:00 prior to TM and that the WC will stay in session throughout the TM.

- Member Millane noted that the Interim Town Administrator is requesting a reserve fund transfer of \$15K for the TA search search committee.

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- *Adjournment*

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- Member McLaughlin moved to adjourn at 8:57 pm.

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- Submitted by Lisa Gibalerio  
- WC Recording Secretary

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- [Image:FY13 Preliminary Budget Jan. 11.2012.pdf]